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SECURITY INFORMATION

AD/RR

31 October 1951

Chief, D/A/RR

Dissolution of the Special Committee on East-West Trade

Referring to our telephone conversation of a moment ago, I think it desirable that the Special Committee on East-West Trade be continued until such time as the MSA can set up the machinery to take over. This is important to avoid a hiatus.

I believe it is urgent, however, that MSA set up, under a deputy director, an economic warfare organization. It could be given such an euphemistic designation as "Economic Defense" or "East-West Trade," but its duties should be the implementation of the measures recommended in 104/2. The interdepartmental committee succeeding the Special Committee on East-West Trade should be advisory to the Director for Mutual Security.

It is our idea that such an office in the MSA would not take over the present operations of any of the Government agencies, but would direct appropriate action by other agencies in accordance with economic defense policy.

We hope that the DDCI can urge on the Director for Mutual Security the importance of having more than a committee--i.e., a deputy director, who, advised by an interdepartmental committee, would direct the appropriate action by various agencies of the Government. We consider it urgent that such an office be established to which we can deliver current economic intelligence affecting the national security.

The experience of both the U.S. and the British in World War II emphasizes the importance of the integration of current economic intelligence with operations. If an office is established in MSA to deal with East-West Trade, it will require increased intelligence support from CIA, and it will also require an economic intelligence division within its own organization. You may wish to consider CIA's furnishing the nucleus of such an organization.

As an example of the sort of intelligence which is coming daily to CIA, I am attaching a CIA despatch and some of the actions indicated.

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D/A/RR: [redacted] ph

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